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November 26, 2008

VIA ELECTRONIC FILING

Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: **Finance Docket No. 35187**
Grand Elk Railroad, L.L.C. -- Lease and Operation
Exemption -- Norfolk Southern Railway Company

Dear Secretary Quinlan:

On November 3, 2008, Grand Elk Railroad, L.L.C. ("GER") filed a notice of exemption pursuant to 49 C.F.R. § 1150.31, et seq. to lease and operate approximately 123 miles of rail line in Michigan and Indiana owned by Norfolk Southern Railway Company ("NS"). GER is a subsidiary of Watco Companies, Inc. ("Watco"). The proposed transaction duplicates in part an NS/Watco transaction previously rejected by the Board, Michigan Central Railway, LLC -- Acquisition and Operation Exemption -- Lines of Norfolk Southern Railway Company, Finance Docket No. 35063 (STB served December 10, 2007), and raises many of the same competitive and service problems as the prior iteration of the proposal.

GER's notice of exemption did not include the labor notice certification required by 49 C.F.R. § 1150.32(e). That certification was filed yesterday, November 25th. GER's exemption cannot become effective until 60 days after the filing of the Section 1150.32(e) certification, or January 24, 2009. As noted in the Board's notice served November 17, 2008 in this proceeding, petitions for stay of the proposed transaction are due seven days before the exemption becomes effective, which is January 16, 2009 (January 17th being a Saturday).

Marquette Rail, LLC ("MQT") intends to file petitions to stay the proposed transaction and to wholly or partially revoke GER's exemption herein. MQT will file those petitions well in advance of January 16th.

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I certify that a copy of this letter has been served by first class mail, postage prepaid, on counsel for GHR and NS.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Myles L. Tobin". The signature is fluid and cursive, with the first name "Myles" being more prominent.

Myles L. Tobin
Attorney for Marquette Rail, LLC

MLT:tjl

cc: Karl Morell, Esq.
John V. Edwards, Esq.